

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 150**

January 13, 2021

**SUMMARY OF BILL:** Expands the offense of a property owner, occupant or other person having a lawful right to the exclusive use and enjoyment of property that knowingly allows an underage adult to consume alcoholic beverages, wine or beer on such property to include all minors. Specifies that, in addition to penalties authorized by Tenn. Code Ann. § 40-35-111, such Class A misdemeanor offense has a mandatory minimum fine of \$1,000.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures - \$3,900/FY21-22 and Subsequent Years\***

Assumptions:

- Pursuant to Tenn. Code Ann. § 39-15-404(a)(3)(A), an underage adult is a person who is at least 18 years of age but is less than 21 years of age.
- Pursuant to Tenn. Code Ann. § 39-15-404(b), a minor is a person under 21 years of age.
- Pursuant to Tenn. Code Ann. § 39-15-404(a)(3)(B), it is a Class A misdemeanor offense for a property owner, occupant or other lawful dweller to knowingly allow an underage adult to consume alcoholic beverages, wine or beer on such property.
- The proposed legislation expands such offense to include minors.
- Based on information provided by the Administrative Office of the Courts (AOC), there has been an average of 3.6 Class A misdemeanor convictions for offenses under § 39-15-404 each year over the past five fiscal years. This analysis assumes that only 10 percent of misdemeanor convictions are at the state court level. As a result, it is estimated that there is a total of 36 convictions (3.6 / 10%) per year for misdemeanor violations of Tenn. Code Ann. § 39-15-404.
- The proposed legislation will lead to an estimated 10 percent increase in Class A misdemeanor convictions for violations of Tenn. Code Ann. § 39-15-404.
- This analysis estimates the average sentence length for such a violation will be 15 days in local jail.
- The average cost to local governments to house an inmate in a local jail facility is \$73 per day.
- The proposed legislation will result in a mandatory increase in local expenditures estimated to be \$3,942 [(15 days x \$73) x (36 x 10%)] in FY21-22 and subsequent fiscal years.
- Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal

cases is insignificant. The proposed legislation will not significantly increase state or local revenue.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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